the people of the whole country, to have dealt intelligently with the multitude of questions that press upon the senate and the congress for consideration.

But under the plan that we adopted we limit the nation's activities to national questions and to international affairs, and leave to the states, to the counties, and to the cities the management of local affairs. The idea is democratic. Of course, I use the word "democratic" in its fundamental sense, and not in any partisan sense. If public government is defensible it is defensible on the theory that the better the people understand the questions to be acted upon the more intelligently can they conduct the government. It is mockery to talk about a government deriving its just powers from the consent of the governed if the governed do not understand the things about which their consent is asked.

ADOPTS ITSELF TO OUR CONDITIONS

Now, the dual plan adapts itself not only to our form of government but to our conditions in this country. A trunk line, only sufficient to reach into every state and furnish each state an outlet, and thus make it independent, instead of costing eighteen or twenty billions of dollars, would not cost, I should say, over four or five billions. The plan does not contemplate the nationalization of every railroad that runs through two or more states. It contemplates a bare, skeleton government trunk line that will give to every state a position of independence, and thus enable it to treat without coercion or compulsion with the states adjoining. Because a railroad runs through a number of states is no reason why it should be regarded as a trunk line and owned by the federal government. The fact that it runs through several states would not interfere at all with operation by each state on the part of the line that is within the state.

When I visited Europe I found I could take a train at Constantinople, and without getting off the train ride through, I think, five countries. They spoke different languages; they were under different forms of government, but they had joint traffic arrangements.

If 350 systems in this country are able, by joint traffic arrangements, to provide for continuous passage for Pullman cars and an exchange of freight cars, is it impossible that 48 states, with their governments conducted with no selfish interests, but with a view solely to the public good — is it impossible that these adjoining states should have traffic arrangements that will enable them to pass traffic from one state to another on joint roads, a part of the road owned by one state and a part by another state?

The first advantage of this system is that the trunk line that is contemplated will be inexpensive compared with the cost of all the railroads.

The second advantage is that it eliminates entirely, or at least in the proportion that it bears to the whole system, the fear of centralization. If the states own and operate the lines within their borders you have the unit of government nearest to the people acting for the people in the management of the railroads. If the people wanted to develop a part of the state that is undeveloped, they would not have to go down to Wall Street and offer inducements to capital; they would have the power to extend the road.

Under this system the commonwealth could develop its resources. It could make its railroads fit into the needs of its people, and you cannot deny the ability of the people to do this unless you distrust the power of the people to govern themselves. If the people of the several States are incompetent to attend to local affairs you will have difficulty in proving that, when they become parts of a national republic, they will be competent to run a government farther away from home.

This plan not only lessens the amount that will be necessary to inaugurate, so far as the national part is concerned, but it has another advantage, namely, that it distributes the question over time as well as over space. It divides a great problem now confronting the people into 49 problems, 1 for the federal government and 1 for each of the 48 states, and it permits the settlement of the question as the people of each state are ready to settle it. If a state does not desire to take over and operate the lines within its borders immediately, it can, if it wishes, have them in private hands until the sentiment of the people of the state is ready for government ownership.

The fact that every railroad in the state can find an outlet to all the other states through the federal trunk line takes away the power that has heretofore coerced little roads into joining the great systems. There has been a force, almost irresistible, that has compelled the little lines to allow themselves to be swallowed up because they were shut out of market and of privileges and opportunities — yes; of rights — by these larger lines. But when we have a federal trunk line running into every state, so that a railroad needs only to reach that trunk line in order to avail itself of all the arteries of national trade and through that trunk line have access to all the distributing lines of all the states, it cannot be embarrassed; it stands upon its rights and can succeed according to its merits.

If a state does not desire to immediately enter upon the state ownership and operation of the railroads within its borders, it can leave these railroads in private hands until the sentiment of the state is ready.

Not only that, but the plan gives us an opportunity to test out the system. A great many people might hesitate to try a new policy on so large a scale; they would say, "If it does not succeed, we will have spent an enormous amount of money and we will find it difficult to return to the old system", but if you distribute this question over a number of years the states that wait will have the benefit of the experience of the states that try, and if the theory upon which the change is made proves to be unsound in practice it can be stopped and a return can be made with less loss and with less derangement of business.

My own belief is that experience will prove the benefit of government ownership. If any of you give weight to the common argument that you will now see in the plate matter that is being used as editorial stuff in this country, namely, the argument that we have tried government ownership and failed, let me answer that we have never tried government ownership in this country. The government took over the railroads when the railroad managers could not meet the demands, and yet not a subsidized newspaper ever thinks it necessary to tell its readers that private ownership had failed and that government ownership succeeded where private ownership could not succeed.

NOT A FAIR TEST

That is the first answer to the argument they make. The second answer is that the test has not been a fair one. The railroads were taken over under conditions and restrictions that made it impossible for the government to introduce economies and to prevent duplications. Not only that, but it was understood to be temporary; and when you are in temporary possession of a piece of property you cannot handle it as you handle your own. If you want to see the difference between ownership and temporary possession, compare the improvements made on a rented farm with the improvements made on a farm that a man owns himself.

We were restricted; not only that, but we had to try the experiment with the railroads in the hands of those who did not want the experiment to succeed. The federal government, of course, could not discharge every official. We had to have their experience. There was no time to reman this great piece of machinery with friends of government ownership. We had to take it and run it with men who wanted government ownership to fail, that they might get the roads back into their own hands. It was not a fair trial, and no unbiased man can say that this experiment has demonstrated that the government could not operate the roads satisfactorily.

But, gentlemen of the committee, the plan that I suggest to you has this advantage, namely, that if there is any doubt in the minds of those who are willing to try government ownership, it gives a chance to try it without investing as much as would be necessary to buy all the railroads. Further, I beg to suggest, that if you have 48 states, each one with its system of transportation owned and operated by the state government, you have 48 experimental stations, and you have initiative 48 times as extensive as you have if you have just one system with one manager whose word is law, and whose word often has to be given without a knowledge of local conditions that might justify a change from the plan that he suggests.

When you have everything under one management, there is necessarily a standardizing, not of parts as in a piece of machinery, but of standardizing of human beings and a standardizing of dissimilar conditions, the conditions not being the same in all sections of the country.

If you have 48 states, with their developed systems, you have 48 systems that are developing men, and when you seek for men to put in charge of your federal system you have 48 groups of men from which to choose, instead of having to promote a subordinate who has lived under the direction of a superior and been molded by him.

Now, Mr. Chairman, I have presented the affirmative side, and I recognize that any proposition of importance, when it is submitted, arouses questions, and that each one who has not decided the questions for himself is thinking of objections. I am prepared to meet any objection, taking only time to say that when in 1904 I first ventured to suggest the dual plan I did not know that the plan had been tried. In fact, having in mind our theory of government, I did not inquire whether the idea had been suggested in any other country.

PLAN TRIED IN OTHER COUNTRIES

When I traveled around the world I found it had been tried in other countries. For instance, in Germany I found that nearly all their railroads were owned by the separate states and not by the federal government, and I was told there that the federal government had tried to take over the railroads, but that the states were not willing to give them up because they were of advantage to the states.

The Chairman. That is true of Bavaria and Saxony, but Prussia, Hessen, and the Rhine Provinces were all put under the Prussian system. But Bavaria and Saxony insisted on retaining their systems.

Mr. Bryan. About how long ago?

The Chairman. That was, I think, about four years ago.

Mr. Bryan. I was over there in 1906, and at that time they told me that only about 10 per cent of the railroads were under federal ownership, and that the others were under the state or provincial control. I think I am correct when I say that in Australia most of the railroads are owned by the provinces rather than by the central government. I may be mistaken — you may be able to correct me if I am wrong — but I am quite certain that I heard that within the last two months.

The Chairman. I think that is right, except the trans-Australian line, which has just been opened, reaching the west coast.

Mr. Bryan. It travels across an extensive area of barren country.

The Chairman. That is right.

Mr. Bryan. And it is intended to bring together two widely separated parts of the country. So I found that a thing that I had presented as a theory had been used. I found also that there was no difficulty in going from country to country and going from system to system. For instance, when we traveled from Sweden to Norway the relations between the two countries were so strained that the Swedish government would not send a representative to the coronation of the new King of Norway, but the situation was not so strained but what a stranger could travel on a sleeper from Sweden to Norway and not know when he crossed the line that separated the two countries. Commercial interests compelled agreements and traffic arrangements even when the relations between the governments are not diplomatically all that they might be.

But pardon me for taking so much time. I shall be very glad to answer any questions.

The Chairman. Colonel, your proposition is novel in that it presents dual ownership and control, and your theory, I suppose, is to make it in order that the states might retain their rights and powers over great public utilities?

Mr. Bryan. Yes; if I may answer you in just a word.

The Chairman. Yes; very well.

ADVANTAGES OVER NATIONALIZATION

Mr. Bryan. While I think that the political argument is a very weighty one, that they by the retention of ownership will retain a political power that will be of benefit to the country by preventing the surrender of the identity of the state, I believe that it has also a great economic advantage, because the people of the state know better than any people outside how to use the railroads for their own advantage. It has the advantage over nationalization of all the roads in this, that if we had national ownership and the people of one state wanted a development, it would be difficult for them to convince the representatives of other states where the need was not felt that the need was a pressing and imperative need, whereas if the state could do it